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Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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REVISED

December 16, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

INDEPENDENT REVIEW ENTITY (ALL DISTRICTS AFFECTED) (3 VOTES)

SUBJECT

This Board letter requests Board authorization to allow the Chief Executive Office to issue a Request for Proposals for an independent review entity or contractor to examine, assess, and make recommendations to the Board on the administration, operations, and functions of the County Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Chief Executive Officer to issue a Request for Proposals (RFP) incorporating the statement of work provided with this Board letter and standard County contract provisions for an independent review entity or contractor to examine, assess, and make appropriate recommendations to your Board on the administration, operations, and functions of the County Department of Health Services (DHS).
2. As appropriate, based on the results of this solicitation, instruct the CEO to return to your Board with a recommended contract to provide this function.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On September 9, 2008, on motion of Supervisor Molina, your Board instructed the CEO to report back on options for creating an independent review entity or contractor which or who would be tasked with investigating and making recommendations to your Board on all aspects of the administration, operations, and functions of DHS.

"To Enrich Lives Through Effective And Caring Service"

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Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

On September 12, 2008, the CEO provided your Board with a report identifying three options relative to an independent review entity. On September 16, 2008, on Motion of Supervisor Molina, your Board instructed the CEO to develop an RFP for an independent review entity or contractor for DHS and return to your Board for discussion prior to release. The Statement of Work (SOW) section of the RFP is attached for your review and consideration, and we are recommending that you authorize this Office to issue the RFP incorporating the SOW and standard County contracting provisions.

The SOW identifies and discusses the proposal submission and selection process, work plan implementation, several possible areas of focus including audit reports, quarterly Governing Body meetings and Board directives, experience and expertise and fee structure. The SOW further identifies that for each directive or subject matter, the Contractor should provide the following for Board review and approval, as appropriate:

- Detailed analysis of the department, function, problem or issue being reviewed;
- Identification of systemic issues underlying the problem/issue and other relevant causative factors;
- Discussion of best practices relevant to identified problem/issue;
- Specific, written recommendation(s) to resolve identified problem/issue and expected outcome(s); and
- Implementation plan including an estimate of resources and time needed.

In operations, we would propose that the entity or contractor meet with your Board on a periodic basis to discuss areas of interest or concern. The RFP will request proposers to submit an hourly rate for the period of the contract. These rates would be applied to specific directives identified by your Board with a mutually-agreed to cap on the total cost of specific reviews.

We further believe the proposals we receive may well provide additional ideas and suggestions on the approach, process, and outcomes of this effort.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This effort will support the County Strategic Plans Goals of Service Excellence, Workforce Excellence, Organizational Effectiveness, and Health and Mental Health.

FISCAL IMPACT/FINANCING

The cost of the contract will be determined consistent with the solicitation and negotiation process and according to specific areas of focus ordered by your Board as discussed

above. Potential efficiencies and cost savings may well result from implementation of recommendations by the review entity.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 12, 2008, this Office submitted to your Board the following three options related to an independent review entity:

Option 1

Establish an independent monitor within DHS consistent with the Merrick Bobb model.

- In 1992, as a result of an extensive study, the Koltz Commission Report identified numerous programmatic and operational issues within the Sheriff's Department. In addition, the report provided recommendations to address the noted deficiencies. Merrick Bobb was identified as "Special Counsel" to monitor implementation of the recommendations provided in the Koltz Report.

Option 2

Conduct a management audit of DHS to review administration, both at central headquarters and at DHS facilities.

- Engage the Auditor-Controller to conduct an independent management audit to identify issues throughout the department.
- Identify a monitor to work independently and oversee implementation of the management audit findings.

Option 3

Establish the County Office of Inspector General (OIG) by centralizing some or all of the various independent review offices located throughout the County, including the newly created DHS entity, if established by your Board. A centrally-managed County OIG would consolidate the various independent review offices into one office that would report directly to your Board.

At your meeting of September 16, 2008, Supervisor Molina made a motion that your Board move forward with **Option 1**.

After further discussion, Supervisor Yaroslavsky made a motion to amend Supervisor Molina's motion to instruct the CEO to develop an RFP for an independent review entity or contractor, for DHS and bring the information before your Board for discussion prior to approval. Supervisor Molina accepted Supervisor Yaroslavsky's amendment. Supervisor Molina's motion, as amended, was approved without objection.

This Board letter and attached SOW is our response to that directive.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no anticipated immediate impact on current services or projects as a consequence of issuing the RFP.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:ES:MKZ
JR:JH:pg

Attachments (1)

c: County Counsel
Acting Director of Health Services

APPENDIX B

RFP STATEMENT OF WORK

**DEPARTMENT
OF
HEALTH SERVICES**

INDEPENDENT REVIEW SERVICES

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Attachment
County of Los Angeles
Department of Health Services
Independent Review Entity
APPENDIX B

STATEMENT OF WORK (SOW)

1.0 SCOPE STATEMENT OF WORK

Background

The Los Angeles County Chief Executive Office (CEO) is issuing this Request for Proposals (RFP) to solicit proposals for a Contract with an organization or individuals to make specific recommendations to the Board to assist in the implementation of a plan to improve the governance, accountability, reliability and efficiency of key departments, operations and functions within the Department of Health Services (DHS). The organization or individual may also receive instruction and periodic directives from the Board of Supervisors on an as-needed basis on areas of concern the Board wishes to be investigated, analyzed or solved for those issues that fall outside the purview of the Auditor-Controller, investigate and make recommendations to the Board of Supervisors in areas related to administration, operations, and functions of the Department of Health Services (DHS).

DHS provides acute and rehabilitative patient care, trains physicians and other health care clinicians, and conducts patient care-related research. DHS operates four hospitals, including some of the nation's premiere academic medical centers through their affiliations with the Keck School of Medicine of the University of Southern California and the David Geffen School of Medicine at the University of California at Los Angeles. In addition, DHS operates six comprehensive health centers and multiple health centers throughout the County of Los Angeles, many in partnership with private, community-based providers.

DHS has an annual budget of \$3.3 billion and employs approximately 22,000 individuals. In Fiscal Year 2006-07, DHS provided more than 2.6 million out-patient (ambulatory care) visits, and almost 300,000 emergency room visits.

The contracting organization should possess the requisite experience and expertise to thoroughly analyze and make recommendations for and to assist in the implementation of a plan to improve the governance, accountability, reliability and efficiency of an organization this large and complex. ~~of an organization this large and be able to specifically address the following areas of the Department of Health Services:~~

Proposal Submission and Selection Process

The County expects that the scope of work will focus on improving the governance, accountability, reliability and efficiency of key departments, operations and functions within DHS.

- Proposals should recommend and prioritize specific key departments and/or functions within DHS which are considered to be the most critical to be included in the analysis.
- The proposal should include a justification of why those departments and/or functions were selected as a priority.
- The proposal should explain in detail the approach and methodology that will be used to conduct the analysis and articulate what the expected outcomes are.
- Proposal should list key team members who will work on the study and provide background describing each team member's qualifications.
- Proposal should articulate why the proposer is uniquely qualified to investigate, analyze or verify the accuracy of issues or areas of concern as directed by the Board of Supervisors on an as-needed basis.

All proposals will be presented to the CEO for review and evaluation. The CEO will evaluate the merits of the proposal, the proposal cost, and the proposer's demonstrated knowledge and understanding of the opportunities and challenges facing the DHS organization.

The CEO will recommend the award of a contract to the Board which will have final authority to award or not to award the contract based upon the CEO's recommendation.

Work Plan and Implementation

Once the Board has awarded the resultant contract, the Contractor will be expected to begin analyzing the operations of those key departments and functions identified in the proposal with the end goal of providing specific recommendations on how improvements can be made for each department or function. This should include:

- A detailed analysis of the department, function, problem or issue being reviewed;
- Identification of systemic issues underlying the problem/issue and other relevant causative factors;
- Discussion of best practices relevant to identified problem/issue;
- Specific, written recommendation(s) to resolve identified problem/issue and expected outcome(s); and
- Implementation plan including an estimate of resources and time needed.

DHS is to begin implementation of the recommendations as they are received, rather than waiting until all study areas are completed. The Contractor must be available to provide support and guidance to DHS as the recommendations are being implemented.

The Auditor-Controller will monitor DHS's progress and ensure recommendations are implemented. The Contractor may be expected to consult with the Auditor-Controller and the Department regarding the implementation of the plan.

Board Directives

The Board may provide periodic instruction and directives to this entity related to areas of concern they wish to be investigated, analyzed or solved. This may be requested by the Board on an as-needed basis for those areas which fall outside the expertise of the Auditor-Controller.

Experience and Expertise

Contractor should have healthcare knowledge and expertise in these areas:

- Organization, governance, as well as decision-making, implementation and accountability structures and procedures
- Human resources management
- Clinical performance and measurement
- Procurement and contracting
- Facilities programming and planning
- Capital project planning and prioritization
- Information technology management
- Recruitment and retention strategies
- Strategic planning (including administration and clinical operations)
- Knowledge of clinical operations and patient care issues
- Health Insurance Portability and Accountability Act (HIPAA)

FEE STRUCTURE

- The proposal should provide an estimate of the number of hours needed to complete the study and provide recommendations for each of the key departments/functions identified as a priority area and the total estimated cost for completing this work.
- The proposal should include the rate that would be charged during the term of the contract should the Board direct them to investigate other issues or areas of concern on an as-needed basis. Payment will be tied to receipt of specific deliverables or milestones for each study.

Audit Reports

~~Perform a thorough examination and analysis of current management and audit reports from the following agencies:~~

- ~~Auditor-Controller~~
- ~~Chief Executive Office~~
- ~~Department of Human Resources~~
- ~~Department of Health Services~~
- ~~The Joint Commission on the Accreditation of Healthcare Organizations (JCAHO)~~

Monitor Quarterly Governing Body Meetings

~~Each hospital conducts quarterly governing body meetings where issues and concerns relating to hospital operations are discussed. These meetings provide insight into the inner workings each hospital, and attendance may provide opportunities to analyze and address common department-wide issues. The Contractor must be able to monitor these meetings as a representative of the Board.~~

Board Directives

~~The Los Angeles County Board of Supervisors will provide instruction and periodic directives to the Contractor on areas of concern they wish to be investigated, analyzed or solved. The Contractor may also be expected to verify the accuracy of any reports requested of the Department's by the Board.~~

~~The Board may or may not direct the Contractor to analyze the following areas but the Contractor must have healthcare knowledge and expertise in these areas:~~

- ~~• Organization, governance, as well as decision-making, implementation and accountability structures and procedures~~
- ~~• Mission, values and culture~~
- ~~• Public sector finance~~
- ~~• Federal and State regulations and programs~~
- ~~• Clinical performance and measurement~~
- ~~• Facilities programming and planning~~
- ~~• Capital project planning and prioritization~~
- ~~• Human resources management~~
- ~~• Procurement and contracting~~
- ~~• Information technology management~~
- ~~• Executive compensation~~
- ~~• Medical staff size and composition, including accommodating future capacity issues~~
- ~~• Recruitment and retention strategies~~
- ~~• Strategic planning (including administration and clinical operations)~~
- ~~• Future service delivery trends and impact on patient care and program allocation~~
- ~~• Forecasting of inpatient, emergency, and outpatient services~~
- ~~• Inpatient and short-stay requirements~~

- ~~Future capacity requirements including beds, operating rooms, emergency rooms, and other clinical services~~
- ~~Health Insurance Portability and Accountability Act (HIPAA)~~

SPECIFIC WORK REQUIREMENTS

~~For each directive or subject matter, the Contractor should provide the following for Board review and approval, as appropriate:~~

- ~~Detailed analysis of the problem or issue being reviewed~~
- ~~Identification of systemic issues underlying the problem/issue and other relevant causative factors~~
- ~~Discussion of best practices relevant to identified problem/issue~~
- ~~Written recommendation(s) to resolve identified problem/issue and expected outcome(s)~~
- ~~Implementation plan~~

2.0 ~~ADDITION/DELETION OF FACILITIES OR SPECIFIC TASKS~~

- ~~2.1 Contractor may include all facilities and programs within DHS in their research and analysis. The following are current locations of DHS facilities that may or may not be analyzed:~~

DHS FACILITIES

DHS facilities are listed below:

Health Services Administration

Health Services Administration
Health Services Administration
OMC
EMS Disaster Staging Warehouse
EMS Administrative Headquarters
Workforce Development

313 N. Figueroa St.
5555 Ferguson Drive
1000 S. Fremont Ave.
10430 Slusher Dr.
10100 Pioneer Blvd.
500 S. Virgil St.

Los Angeles
Commerce
Alhambra
Santa Fe Springs
Santa Fe Springs
Los Angeles

Antelope Valley Cluster

High Desert Health System
Antelope Valley Health Center
Lake Los Angeles Community Clinic
Littlerock Community Clinic
South Valley Medical Center

44900 N. 60th St. W.
335-B E Ave. K-6
1692 E. Ave. O Sp.G
8201 Pearblossom Hwy.
38350 40th St. East Palmdale

Lancaster
Lancaster
Lake Los Angeles
Littlerock

Costal Cluster

Harbor-UCLA Medical Center
LA Biomedical Research Inst.
Long Beach Com. Health Center
Bellflower Health Center
Family Health Center
Wilmington Health Center
Hawaiian Gardens Health Center

1000 W. Carson St.
1124 W. Carson St.
1333 Chestnut Ave.
10005 E. Flower St.
1403 Lomita Blvd.
1325 Broad Ave.
22310 Wardham Ave.

Carson
Carson
Long Beach
Bellflower
Harbor City
Wilmington
Hawaiian Gardens

LAC+USC Healthcare Network

LAC+USC Medical Center
Juvenile Court Health Services
LAC+USC PFS
LAC+USC Materials Mgmt. Warehouse
LAC+USC Psych In-Patient Hospital
El Monte Com. Health Center
La Puente Health Center
Hudson Com. Health Center
Roybal Com. Health Center
Weingart Center

1200 N. State St.
1925 Daily St.
1910 N. Main St.
2011 Soto St.
7500 E. Hellman
10953 Ramona Blvd.
15930 Central Ave.
2829 S. Grand Ave.
245 S. Fetterly Ave.
515 E. 6th St.

Los Angeles
Los Angeles
Los Angeles
Los Angeles
Rosemead
El Monte
La Puente
Los Angeles
Los Angeles
Los Angeles

Southwest Cluster

Martin Luther King
Humphrey Com. Health Center
Dollardhide Health Center

12021 S. Wilmington Ave.
5850 S. Main St.
1108 N. Oleander St.

Los Angeles
Los Angeles
Compton

San Fernando Valley Cluster

Olive View-UCLA Medical Center
Mid-Valley Com. Health Center
San Fernando Health Center
Glendale Health Center
Canoga Park Health Center
Valencia Health Center

14445 Olive View Dr.
7515 Van Nuys Blvd.
1212 Pico St.
501 N. Glendale Ave.
7107 Rammet Ave.
23763 Valencia Blvd.

Sylmar
Van Nuys
San Fernando
Glendale
Canoga Park
Valencia

Rancho Los Amigos National Rehab Center

North Campus Only

7601 E. Imperial Hwy.

Downey

~~The Board reserves the right to add additional tasks, locations, directives or areas of focus.~~

~~2.2 All changes must be made in accordance with sub-paragraph 8.1 Amendments of the Contract.~~

~~3.0 QUALITY CONTROL~~

~~The Contractor shall establish and utilize a comprehensive Quality Control Plan to assure the County a consistently high level of service throughout the term of the Contract. The Plan shall be submitted to the County Contract Project Monitor for review. The plan shall include, but may not be limited to the following:~~

~~3.1 Method of monitoring to ensure that Contract requirements are being met;~~

~~3.2 A record of all inspections conducted by the Contractor, any corrective action taken, the time a problem was first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to the County upon request.~~

~~4.0 QUALITY ASSURANCE PLAN~~

~~The County will evaluate the Contractor's performance under this Contract using the quality assurance procedures as defined in this Contract, Paragraph 8, Standard Terms and Conditions, Sub-paragraph 8.15, County's Quality Assurance Plan.~~

~~4.1 Monthly Meetings~~

~~Contractor is required to attend a scheduled monthly meeting with the Board Deputies, Director and CEO representatives. These meetings will be scheduled by the CEO and Contractor on mutually agreed upon dates.~~

~~4.2 Contract Discrepancy Report (Technical Exhibit 1 of Appendix C)~~

~~Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor.~~

~~The County Contract Project Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the~~

~~Contractor is required to respond in writing to the County Contract Project Monitor within five (5) workdays, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted to the County Contract Project Monitor within ten (10) workdays.~~

~~4.3 County Observations~~

~~In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.~~

~~5.0 RESPONSIBILITIES~~

~~The County's and the Contractor's responsibilities are as follows:~~

~~COUNTY~~

~~5.1 Personnel~~

~~The County will administer the Contract according to the Contract, Paragraph 6.0, Administration of Contract - County. Specific duties will include:~~

~~5.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.~~

~~5.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.~~

~~5.1.3 Preparing Amendments in accordance with the Contract, Paragraph 8.0, Standard Terms and Conditions, Sub-paragraph 8.1 Amendments.~~

~~5.2 Furnished Items~~

~~The County will provide access to all relevant information, reports and studies related to the Department of Health Services.~~

~~CONTRACTOR~~

~~5.3 Project Manager~~

~~5.3.1 Contractor shall provide a full-time Project Manager or designated alternate. County must have access to the Project Manager during all hours, 365 days~~

~~per year. Contractor shall provide a telephone number where the Project Manager may be reached on a twenty-four (24) hour per day basis.~~

~~5.3.2 Project Manager shall act as a central point of contact with the County.~~

~~5.3.3 Project Manager shall have 10 years of experience.~~

~~5.3.4 Project Manager/alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Contract. Project Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.~~

~~5.4 Personnel~~

~~5.4.1 Contractor shall assign a sufficient number of employees to perform the required work. **At least one employee on site shall be authorized to act for Contractor in every detail and must speak and understand English.**~~

~~5.4.2 Contractor shall be required to background check their employees as set forth in sub-paragraph 7.4 Background & Security Investigations, of the Contract.~~

~~5.5 Uniforms/Identification Badges~~

~~5.5.1 Contractor employees assigned to County facilities shall wear appropriate business attire at all times.~~

~~5.5.2 Contractor shall ensure their employees are appropriately identified as set forth in sub-paragraph 7.3 Contractor's Staff Identification, of the Contract.~~

~~5.6 Materials and Equipment~~

~~The purchase of all materials/equipment to provide the needed services is the responsibility of the Contractor. Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee.~~

~~5.7 Training~~

~~5.7.1 Contractor shall provide training programs for all new employees and continuing in-service training for all employees.~~

~~5.7.2 All employees shall be trained in their assigned tasks and in the safe handling of equipment. All equipment shall be checked daily for safety. All~~

~~employees must wear safety and protective gear according to OSHA standards.~~

~~5.8 Contractor's Office~~

~~Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, by at least one employee who can respond to inquires and complaints which may be received about the Contractor's performance of the Contract. When the office is closed, an answering service shall be provided to receive calls. **The Contractor shall answer calls received by the answering service within two (2) hours of receipt of the call.**~~

~~6.0 HOURS/DAY OF WORK~~

~~Contractor is not required to work during County holidays and may perform analysis or evaluate hospital operations during normal business hours or after normal operating hours if arranged the County Project Manager.~~

~~7.0 SPECIFIC WORK REQUIREMENTS~~

~~For each directive or subject matter, the Contractor should provide the following for Board review and approval, as appropriate:~~

- ~~• Detailed analysis of the problem or issue being reviewed~~
- ~~• Identification of systemic issues underlying the problem/issue and other relevant causative factors~~
- ~~• Discussion of best practices relevant to identified problem/issue~~
- ~~• Written recommendation(s) to resolve identified problem/issue and expected outcome(s)~~
- ~~• Implementation plan~~

~~8.0 PERFORMANCE REQUIREMENTS SUMMARY~~

~~(Technical Exhibit 2 of Appendix C)~~

~~All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Contract and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that~~

~~defined in the Contract and the SOW. In any case of apparent inconsistency between services as stated in the Contract and the SOW and this PRS, the meaning apparent in the Contract and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the SOW, that apparent service will be null and void and place no requirement on Contractor.~~